Enterprise Resource Planning (ERP)

Presented by: HQ AMC Office of Command Contracting

Integrated Procurement Systems Office

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Contracting in the ERP Environment

- **AMC ERP Solution: Logistics Modernization Program (LMP)**
  - **SAP Enterprise Solution overview**
  - **SAP ERP in LMP (Functional & Architectural views)**
- **Army ERP Integration**
  - **GCSS-A and LMP using PLM and NetWeaver (PLM+)**
- **AMC Procurement System interfaces with LMP**
- **Considerations for DoD Contracting Business Area**
  - **Procurement/Contracting Inside or Outside ERP?**
    - **DLA BSM -- Army LMP**
    - **PD2 Increment 3 (4.2.3), Future DoD "Sourcing" AOA**
  - **ERP approaches: ERPs are coming in full force**
    - **Many Little "eRPs", One Big "Erp", or "Convergence"?**

SAP Core Products

Sales and Distribution (SD)
- Sales order processing
- Pricing
- Shipping
- Billing
- Credit
- Sales Support

Financial (FI)
- General ledger
- Extended G/L
- Accounts payable
- Accounts receivable
- Consolidations
- Report generator
- Cash management and forecasting
- Financial resource management
- Inter-company transactions
- Business area accounting
- Interest calculation

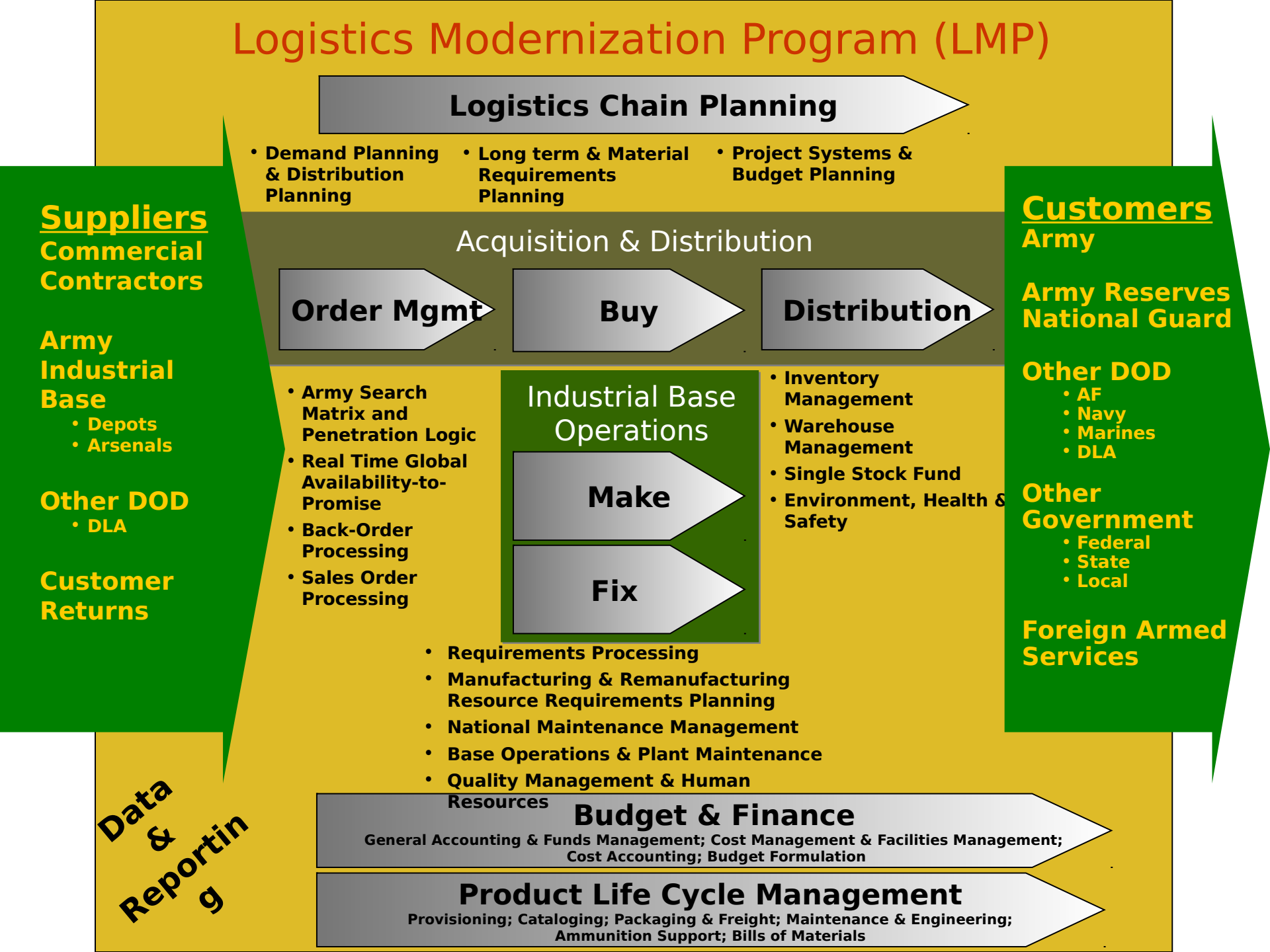
Materials Management (MM)
- Purchasing
- Vendor evaluation
- Inventory management
- Invoice verification
- Warehouse management

Production Planning (PP)
- Bill of Materials (BOM)
- CAD interface
- Work centers and routings
- Sales & operations planning
- Master production scheduling
- Materials requirements planning (MRP)
- Configuration management
- Shop floor control
- Capacity planning

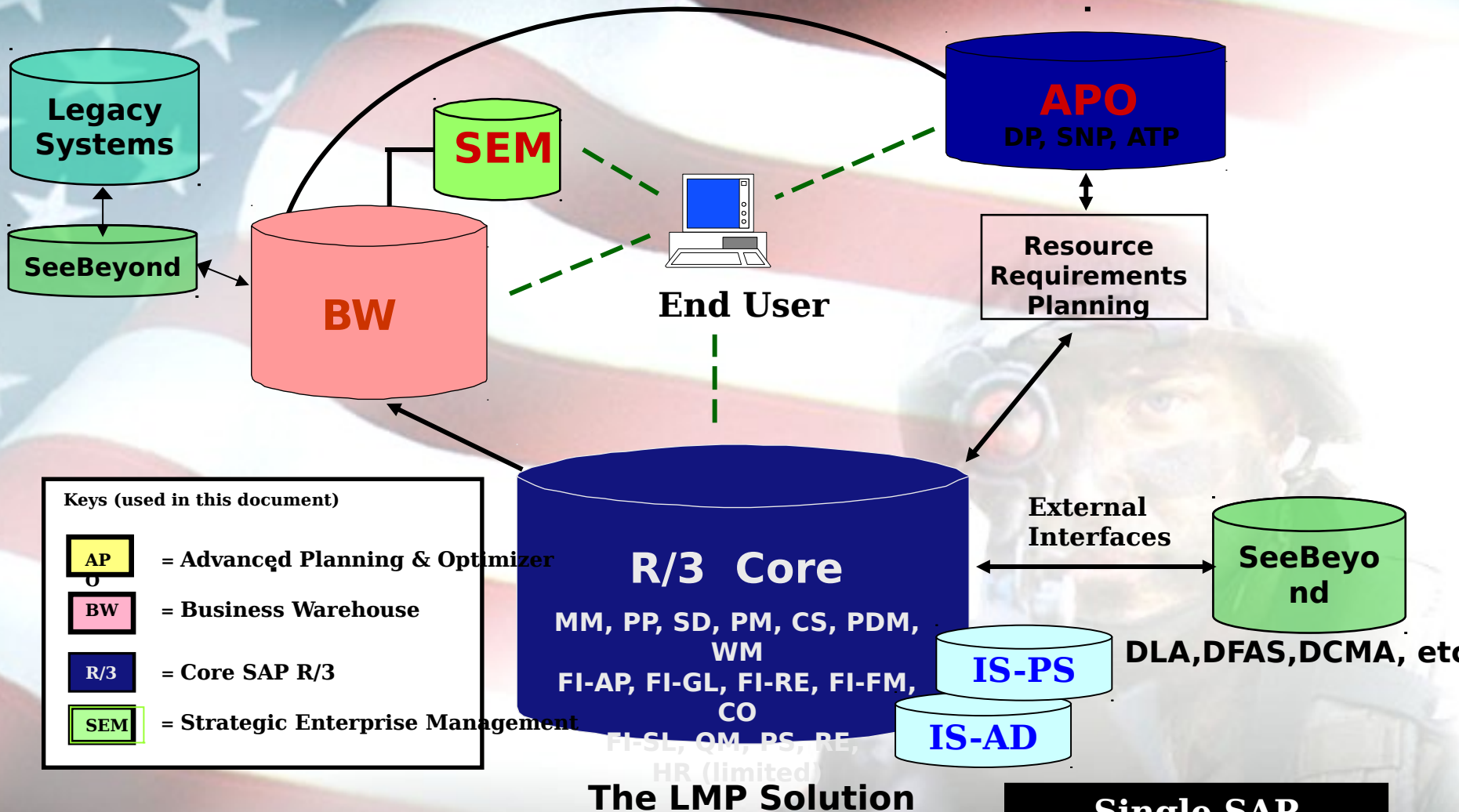
Other Modules
- Asset Management (AM)
- Project System (PS)
- Human Resources (HR)
- Plant Maintenance (PM)
- Industry Solutions (IS)
- Quality Management (QM)
- Workflow (WF)

Technical (BC)
- Communications CPI/C
- Relational data base management
- Unix
- ABAP/4, C, C++
- Tuning
- Document management system
- EDI
- Computer center management

Logistics Modernization Program (LMP)



LMP Architectural Overview



Single Army Logistics Enterprise (SALE)*

"Factory"

- End to End Business View -

Army Logistics Enterprise

LMP

Master Data Management

PLM+

Information Exchange

GCSS Army

Defense Finance & Accounting Service (DFAS)
Defense Automatic Addressing System Center (DAASC)

Personnel Systems

External

Original Equipment Manufacturer (OEM)

Defense Logistics Agency (DLA)

TRANSCOM

Close coordination between AMC and PEO EIS and PMs

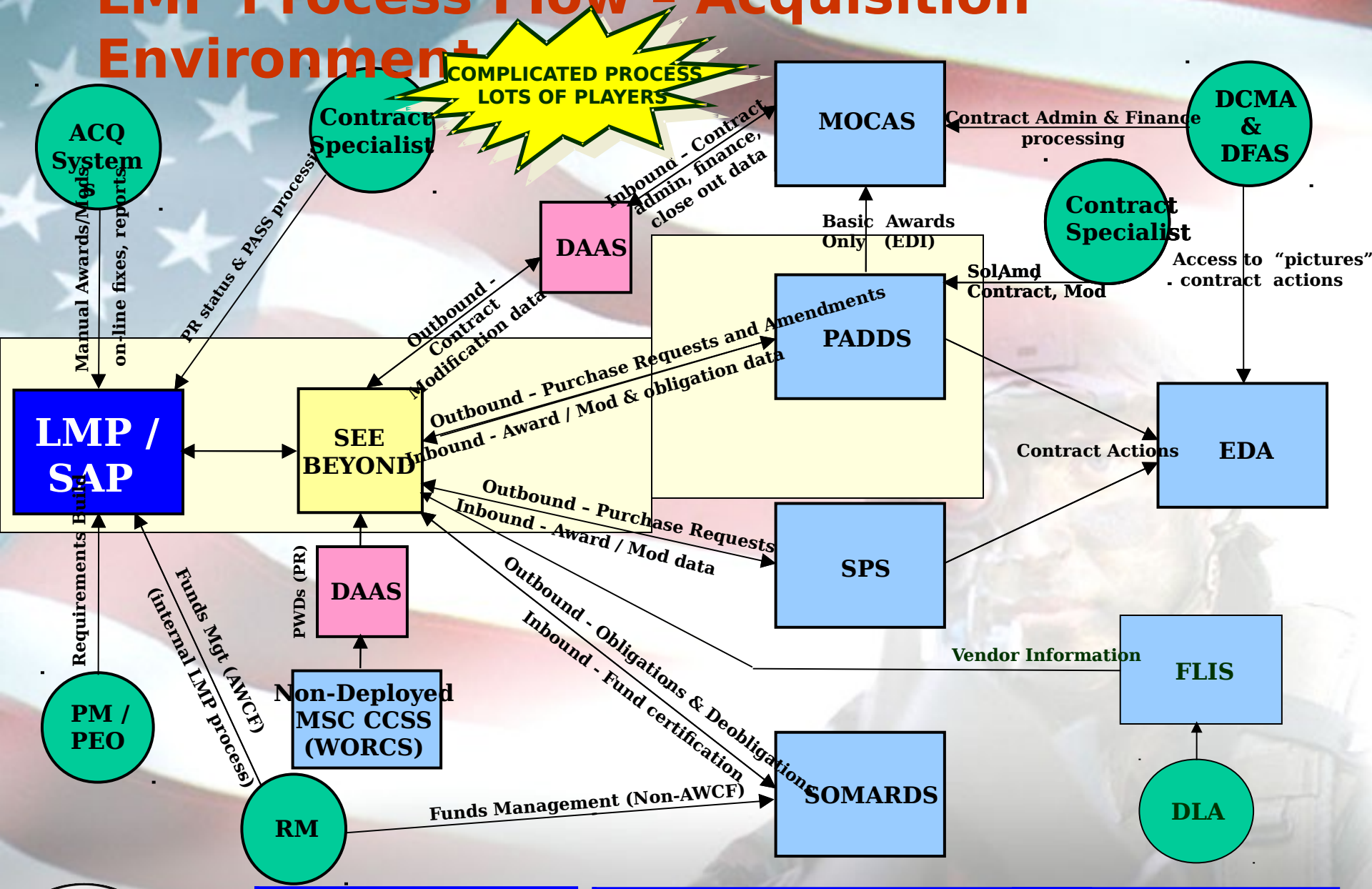
External Interfaces

"Foxhole"

- **LMP**: Logistics Modernization Pilot
- **GCSS Army**: Global Combat Support System Army
- **PLM+:** Product Life-cycle Management Plus

* - DALEI Office

LMP Process Flow – Acquisition Environment



Requirements Definition | Contract Award Administration | Funds Management

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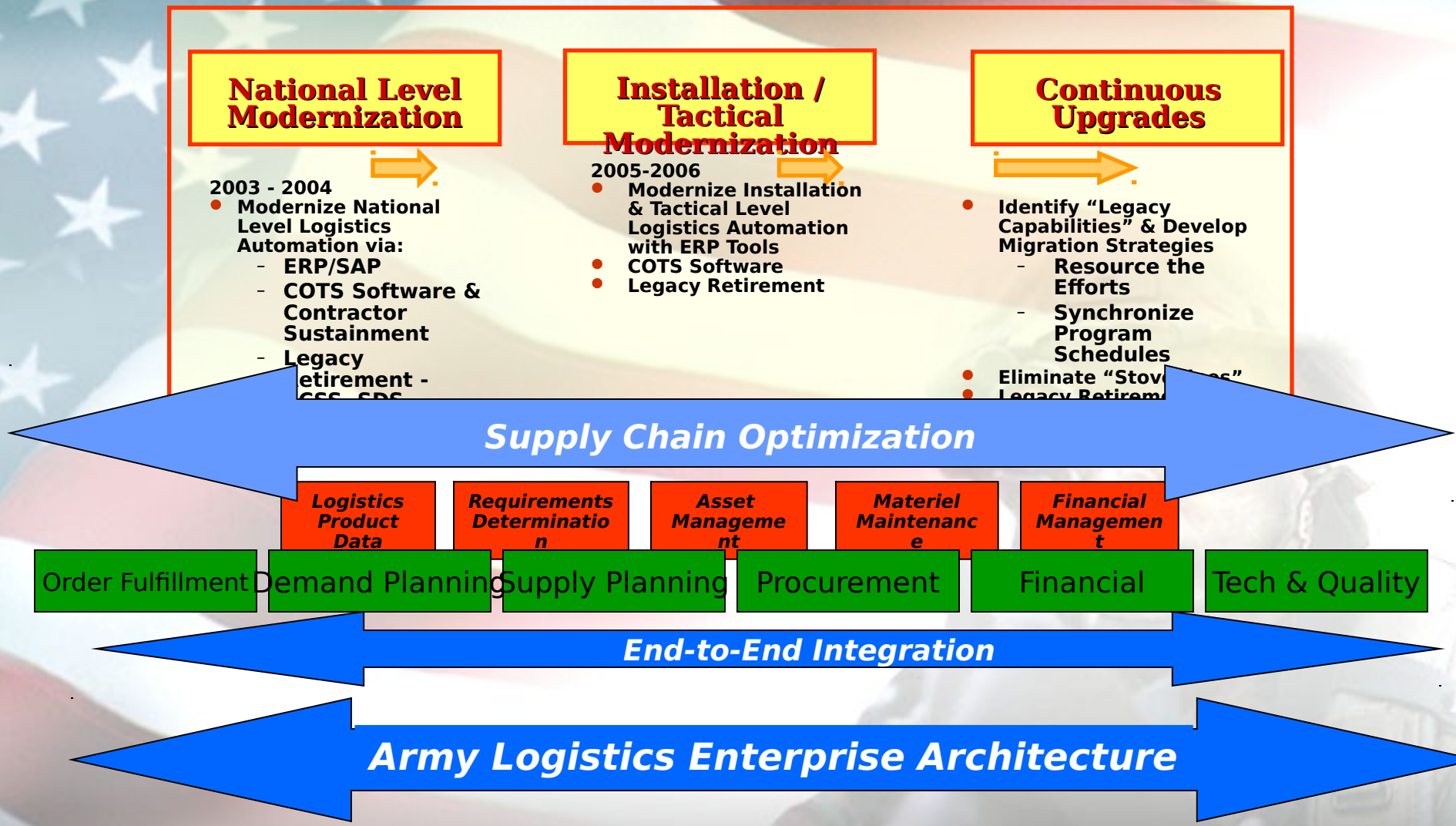
Contracting & ERPs in DoD - Considerations

- **Many Service/DLA ERP efforts & many approaches**
  - **One big Enterprise vs many "integrated" functionally driven smaller enterprises vs a "Hybrid" migration**
    - **DLA's BSM Enterprise approach**
    - **Army National Logistics (LMP) & Combat Support/ Service Support (GCSS-A) Integration using PLM+**
    - **Navy 4 Pilot "Convergence"**
- **External Legacy and Emerging IT solutions**
  - **Legacy Wholesale (ICP) & Weapon System (MWS) Contracting systems**
  - **DoD/Federally mandated systems**
    - **SPS / PD2 Increment 3 (4.2.3)**
    - **WAWF-RA**
    - **DoD "Sourcing" Analysis of Alternatives (AOA)**
    - **FedBizOpps, FedTeds, ORCA, BPN/CCR**

- **Back-Up Slides**

- Integrating Army Logistics -



Supply, Maintenance, Distribution, Finance, Contracting, Technical Data

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AMC'S Legacy Process Flow

Suppliers

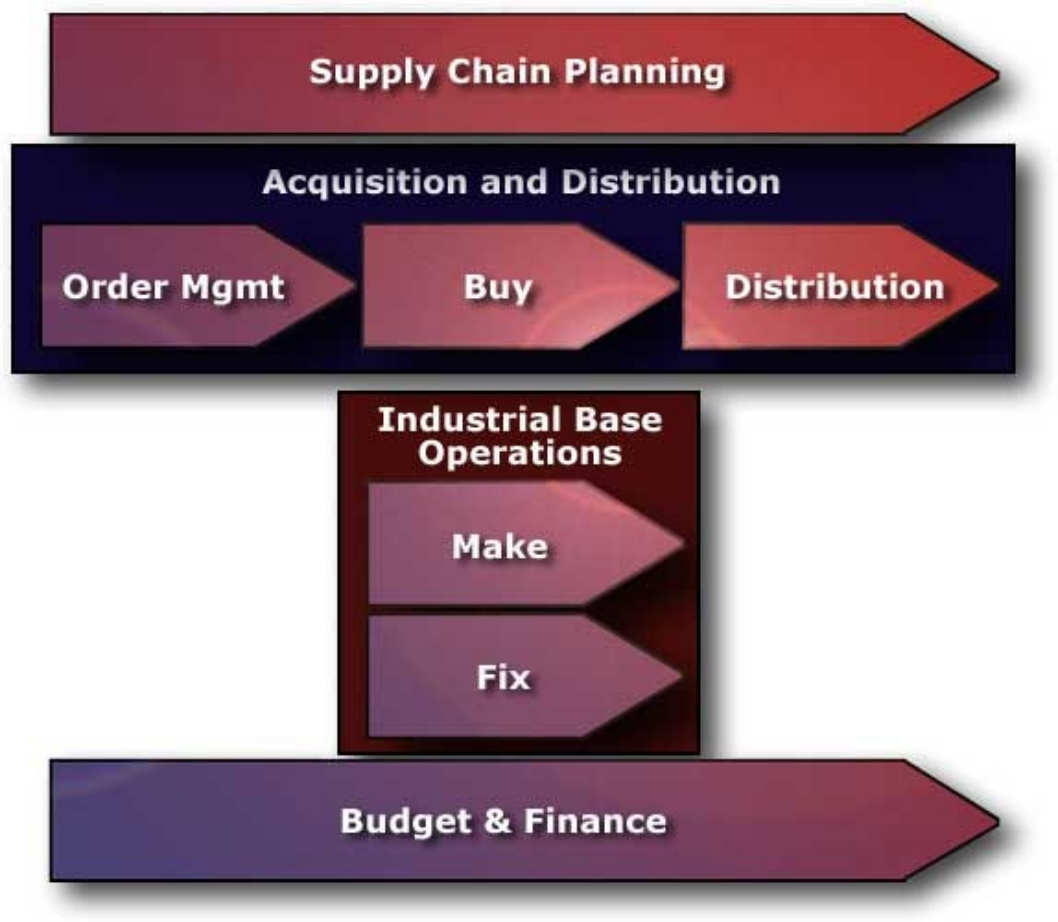
Commercial Contractors

Army Industrial Base
- **Depots**
- **Arsenals**

Other DOD
- **DLA**

Customer Returns

Below Depot Maintenance & Supply Support



Customers

Army

Army Reserves National Guard

Other DOD
- **AF**
- **Navy**
- **Marines**
- **DLA**

Other Government
- **Federal**
- **State**
- **Local**

Foreign Armed Services

Private Industry

-End-to-End Technical Data Integration-

One Set of Technical Data

Enables Interoperability

Enterprise Integrated Data Environment - EIDE (DLA)

Weapon System Program Office

National - LMP

Engine
Module
Bld. Grp
Locator
Part
Locator
Part
Bld. Grp
Locator
Part

Collaborative Product Development

PLM +

OEM

TRANSCOM

Field - GCSS Army

PDM

Objective: Single set of technical data for all Army equipment - also used by DLA & other external constituents!

Optimized System Environment

Mobile Platform

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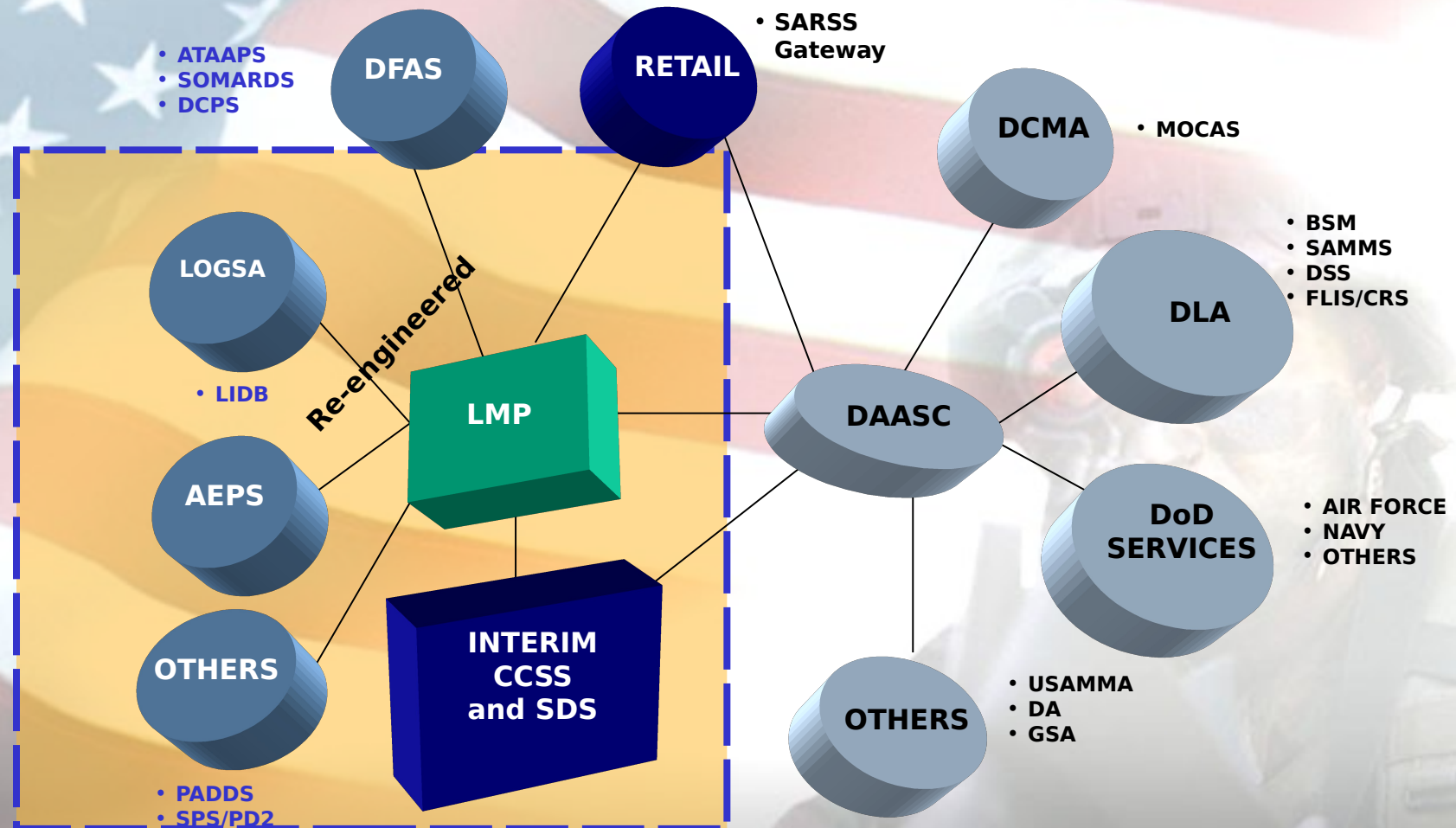
Army Logistics Enterprise Components

Logistics Modernization Program (LMP)	Product Lifecycle Management Plus (PLM+)	Global Combat Support System Army (GCSS Army)
Characteristics / Description: **LMP, an AMC Business Processes Modernization effort, will improve National Level logistics management functions by:** ▪ **Incorporating ERP best business practices** ▪ **Provides National Level asset visibility** ▪ **Implements FLE processes for Joint interdependencies** ▪ **Retiring outdated, stovepipe, costly systems** Capability / Improvements: ▪ **Facilitates a seamless logistics system for the Army** ▪ **Fully integrated maintenance, repair, overhaul planning and execution solution** ▪ **Standardizes business across End-to-End and National Spectrums**	Characteristics / Description: **PLM+, will integrate the SALE architecture by:** ● **Implementing enabling technologies to manage SALE master data and external interfaces** ● **Connecting two SAP (National and Field) instances using SAP's PLM and NetWeaver modules** ● **Linking Army and external interfaces** Capability / Improvements: ● **Integrates LMP & GCSS-Army SAP instances** ● **Enables End-to-End logistics processes to achieve an accurate and timely common logistics operating environment** ● **Reduces costs-eliminate duplicative interfaces** ● **Simplifies solution options to resolve security issues**	Characteristics / Description: **GCSS-Army, will enable CS/CSS Transformation by:** ● **Replacing increasingly non-sustainable Logistics Retail STAMIS to support the Future Force** ● **Incorporating ERP best business practices** ● **Providing asset visibility with common data at all echelons to accelerate the delivery of effective CSS where and when needed** Capability / Improvements: ● **Integrates, for tactical applications, E2E CSS logistics business processes** ● **Enables business process modernization** ● **Uses integrated and timely data** ● **Enables distribution-based logistics** ● **Web-based Graphical User Interface (GUI)** ● **Soldier friendly**

High Level Interface Landscape



A significant number of systems interfacing with LMP

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SAP Business Suite

Weapon Systems

Asset Lifecycle Management

Supplier

Supplier Relationship Management

Soldier

Customer Relationship Management

mySAP PLM

mySAP SRM

mySAP ERP
Financials
Human Resources
Corporate Services
Operations

mySAP CRM

mySAP SCM

SAP NetWeaver

Supply Chain Partner

Supply Chain Collaboration and Optimization

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